

## **Basic Financial Statements**



## **Government-wide Financial Statements**



## State of Washington Statement of Net Assets

June 30, 2005

(expressed in thousands)

	Primary Government			
	Governmental	Business-Type		
	Activities	Activities	Total	Component Units
<b>ASSETS</b>				
Cash and pooled investments	\$ 4,854,666	\$ 4,272,366	\$ 9,127,032	\$ 39,419
Taxes receivable (net of allowance)	2,647,232	4,841	2,652,073	-
Other receivables (net of allowance)	844,207	1,319,160	2,163,367	2,065
Internal balances (net)	(7,938)	7,938	-	-
Due from other governments	2,425,507	65,312	2,490,819	-
Inventories	82,150	77,593	159,743	-
Investments, noncurrent	3,387,938	11,401,658	14,789,596	26,005
Other assets	132,114	131,291	263,405	21,545
Capital assets (Note 6):				
Non-depreciable assets	15,897,768	171,249	16,069,017	34,677
Depreciable assets, net of depreciation	7,462,788	1,353,885	8,816,673	414,563
Total capital assets, net of depreciation	23,360,556	1,525,134	24,885,690	449,240
<b>Total Assets</b>	<b>37,726,432</b>	<b>18,805,293</b>	<b>56,531,725</b>	<b>538,274</b>
<b>LIABILITIES</b>				
Accounts payable	1,129,380	132,044	1,261,424	2,791
Contracts and retainage payable	93,172	31,993	125,165	2,342
Accrued liabilities	412,428	230,103	642,531	125
Obligations under securities lending	1,057,592	1,610,032	2,667,624	-
Due to other governments	539,986	42,739	582,725	-
Unearned revenue	511,735	44,214	555,949	767
Long-term liabilities (Note 7):				
Due within one year	749,335	1,854,262	2,603,597	-
Due in more than one year	11,393,539	17,641,257	29,034,796	37,000
<b>Total Liabilities</b>	<b>15,887,167</b>	<b>21,586,644</b>	<b>37,473,811</b>	<b>43,025</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	8,654,757	510,264	9,165,021	409,898
Restricted for:				
Unemployment compensation	-	2,340,868	2,340,868	-
Other purposes	591,839	-	591,839	24,485
Capital projects	1,817,396	-	1,817,396	-
Expendable permanent fund principal	658,026	-	658,026	-
Nonexpendable permanent endowments	1,260,296	-	1,260,296	-
Unrestricted (deficit)	8,856,951	(5,632,483)	3,224,468	60,866
<b>Total Net Assets</b>	<b>\$ 21,839,265</b>	<b>\$ (2,781,351)</b>	<b>\$ 19,057,914</b>	<b>\$ 495,249</b>

The notes to the financial statements are an integral part of this statement.

# State of Washington

## Statement of Activities

For the Fiscal Year Ended June 30, 2005  
(expressed in thousands)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 925,328	\$ 439,389	\$ 363,597	\$ 2,385
Education--elementary and secondary (K-12)	6,283,426	13,652	730,385	
Education--higher education	4,454,542	1,315,617	1,585,850	29,258
Human services	9,851,651	310,695	5,355,294	12,572
Adult corrections	639,745	10,677	3,458	7,836
Natural resources and recreation	229,105	385,262	135,787	26,937
Transportation	1,456,646	685,519	63,539	596,428
Intergovernmental grants	334,762	-	-	-
Interest on long-term debt	504,756	-	-	-
Total governmental activities	24,679,961	3,160,811	8,237,910	675,416
Business-type Activities:				
Workers' compensation	2,406,679	1,718,680	7,835	-
Unemployment compensation	870,453	1,457,967	52,377	-
Higher education student services	1,170,310	1,187,524	10,987	-
Health insurance programs	1,137,668	1,200,239	-	-
Other	987,676	1,050,177	-	(2,223)
Total business-type activities	6,572,786	6,614,587	71,199	(2,223)
Total Primary Government	\$ 31,252,747	\$ 9,775,398	\$ 8,309,109	\$ 673,193
Total Component Units	\$ 28,750	\$ 11,600	\$ 600	\$ 562

### General revenues:

Taxes - sales and use taxes

Taxes - business and occupation taxes

Taxes - property

Taxes - other

Interest and investment earnings

Total general revenues

Excess (deficiency) of revenues over expenses before contributions  
to endowments and transfers

Contributions to endowments

Transfers

Change in net assets

Net assets -- beginning, as restated

Net assets -- ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$ (119,957)	\$ -	\$ (119,957)	
(5,539,389)	-	(5,539,389)	
(1,523,817)	-	(1,523,817)	
(4,173,090)	-	(4,173,090)	
(617,774)	-	(617,774)	
318,881	-	318,881	
(111,160)	-	(111,160)	
(334,762)	-	(334,762)	
(504,756)	-	(504,756)	
(12,605,824)	-	(12,605,824)	
-	(680,164)	(680,164)	
-	639,891	639,891	
-	28,201	28,201	
-	62,571	62,571	
-	60,278	60,278	
-	110,777	110,777	
(12,605,824)	110,777	(12,495,047)	
			\$ (15,988)
6,736,239	-	6,736,239	-
2,290,959	-	2,290,959	-
1,590,305	-	1,590,305	-
3,370,091	94,688	3,464,779	-
362,751	1,249,246	1,611,997	3,248
14,350,345	1,343,934	15,694,279	3,248
1,744,521	1,454,711	3,199,232	(12,740)
69,105	-	69,105	-
183,764	(183,764)	-	-
1,997,390	1,270,947	3,268,337	(12,740)
19,841,875	(4,052,298)	15,789,577	507,989
\$ 21,839,265	\$ (2,781,351)	\$ 19,057,914	\$ 495,249





## **Fund Financial Statements**

## GOVERNMENTAL FUNDS Balance Sheet

June 30, 2005

(expressed in thousands)

	General	Higher Education Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Total
<b>Assets:</b>					
Cash and pooled investments	\$ 1,388,520	\$ 205,706	\$ 414,007	\$ 2,664,572	\$ 4,672,805
Investments	-	827,227	2,287,063	237,287	3,351,577
Taxes receivable (net of allowance)	2,539,239	-	-	107,993	2,647,232
Other receivables (net of allowance)	236,579	217,925	39,501	475,720	969,725
Due from other funds	191,050	109,480	14	279,671	580,215
Due from other governments	622,091	124,659	-	1,589,677	2,336,427
Inventories	20,082	8,996	-	32,918	61,996
<b>Total Assets</b>	<b>\$ 4,997,561</b>	<b>\$ 1,493,993</b>	<b>\$ 2,740,585</b>	<b>\$ 5,387,838</b>	<b>\$ 14,619,977</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 729,756	\$ 61,500	\$ 5	\$ 305,252	\$ 1,096,513
Contracts and retainages payable	16,576	545	2,099	73,388	92,608
Accrued liabilities	120,649	90,800	13,110	82,616	307,175
Obligations under security lending agreements	382,259	110,056	351,596	213,017	1,056,928
Due to other funds	562,325	76,236	2,050	258,677	899,288
Due to other governments	81,871	12,504	-	106,150	200,525
Deferred revenues	1,158,276	149,267	14,525	543,312	1,865,380
Claims and judgments payable	20,673	-	-	7,211	27,884
<b>Total Liabilities</b>	<b>3,072,385</b>	<b>500,908</b>	<b>383,385</b>	<b>1,589,623</b>	<b>5,546,301</b>
<b>Fund Balances:</b>					
Reserved for:					
Encumbrances	4,216	2,383	-	343,060	349,659
Inventories	15,605	8,996	-	32,918	57,519
Permanent funds	-	-	2,357,200	172,009	2,529,209
Other specific purposes	35,781	252,451	-	1,377,246	1,665,478
Unreserved, designated for, reported in:					
Working capital	1,004,131	-	-	-	1,004,131
Higher education	-	155,679	-	-	155,679
Special revenue funds	-	-	-	165	165
Debt service funds	-	-	-	177,961	177,961
Unreserved, undesignated	865,443	573,576	-	-	1,439,019
Unreserved, undesignated reported in:					
Special revenue funds	-	-	-	1,528,463	1,528,463
Capital project funds	-	-	-	166,393	166,393
<b>Total Fund Balances</b>	<b>1,925,176</b>	<b>993,085</b>	<b>2,357,200</b>	<b>3,798,215</b>	<b>9,073,676</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,997,561</b>	<b>\$ 1,493,993</b>	<b>\$ 2,740,585</b>	<b>\$ 5,387,838</b>	<b>\$ 14,619,977</b>

The notes to the financial statements are an integral part of this statement.

## State of Washington

### Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets

June 30, 2005  
(expressed in thousands)

Total fund balances for governmental funds	\$	9,073,676
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Non-depreciable assets	\$ 15,855,266	
Depreciable assets, net of depreciation	7,149,391	
Total capital assets		23,004,657

Some of the state's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.		1,355,940
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Accrued current interest on general obligation bonds		(193,349)
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Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		(51,759)
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Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Bonds and notes payable	(10,614,974)	
Accrued interest on bonds	(203,752)	
Claims and judgments	(92,053)	
Other obligations	(439,121)	
Total long-term liabilities		(11,349,900)

Net assets of governmental activities	\$	21,839,265
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The notes to the financial statements are an integral part of this statement.

## GOVERNMENTAL FUNDS

### Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2005  
(expressed in thousands)

	General	Higher Education Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Total
<b>Revenues:</b>					
Retail sales and use taxes	\$ 6,674,434	\$ -	\$ -	\$ 61,805	\$ 6,736,239
Business and occupation taxes	2,227,926	-	-	63,033	2,290,959
Property taxes	1,394,793	-	-	195,512	1,590,305
Excise taxes	807,749	-	-	93,763	901,512
Motor vehicle and fuel taxes	-	-	-	930,975	930,975
Other taxes	882,925	-	-	647,915	1,530,840
Licenses, permits, and fees	78,973	511	-	627,240	706,724
Timber sales	3,097	-	12,688	154,987	170,772
Other contracts and grants	272,762	537,501	-	17,010	827,273
Federal grants-in-aid	6,011,964	1,048,309	-	949,819	8,010,092
Charges for services	48,214	1,108,273	-	439,268	1,595,755
Investment income (loss)	35,750	60,866	193,655	72,480	362,751
Miscellaneous revenue	105,226	157,028	2,566	422,659	687,479
Contribution and donations	-	-	69,105	-	69,105
<b>Total Revenues</b>	<b>18,543,813</b>	<b>2,912,488</b>	<b>278,014</b>	<b>4,676,466</b>	<b>26,410,781</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	552,382	-	-	381,525	933,907
Human services	9,518,818	-	-	967,062	10,485,880
Natural resources and recreation	271,090	-	-	432,974	704,064
Transportation	26,671	2,339	-	1,457,505	1,486,515
Education	7,243,096	2,751,789	88	543,746	10,538,719
<b>Intergovernmental</b>	<b>27,665</b>	<b>-</b>	<b>-</b>	<b>307,097</b>	<b>334,762</b>
<b>Capital outlays</b>	<b>78,121</b>	<b>113,404</b>	<b>-</b>	<b>1,549,752</b>	<b>1,741,277</b>
<b>Debt service:</b>					
Principal	12,363	13,109	-	435,358	460,830
Interest	2,262	6,119	-	488,699	497,080
<b>Total Expenditures</b>	<b>17,732,468</b>	<b>2,886,760</b>	<b>88</b>	<b>6,563,718</b>	<b>27,183,034</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>811,345</b>	<b>25,728</b>	<b>277,926</b>	<b>(1,887,252)</b>	<b>(772,253)</b>
<b>Other Financing Sources (Uses):</b>					
Bonds issued	-	2,918	-	1,141,700	1,144,618
Refunding bonds issued	-	-	-	439,399	439,399
Payment to refunded bond escrow agent	-	-	-	(462,495)	(462,495)
Notes issued	15,564	9,638	-	1,252	26,454
Bond issue premium (discount)	-	-	-	68,325	68,325
Capital lease acquisitions	-	75	-	-	75
Transfers in	524,365	182,266	3,883	2,060,851	2,771,365
Transfers (out)	(942,208)	(241,369)	(71,407)	(1,245,849)	(2,500,833)
<b>Total Other Financing Sources (Uses)</b>	<b>(402,279)</b>	<b>(46,472)</b>	<b>(67,524)</b>	<b>2,003,183</b>	<b>1,486,908</b>
<b>Net change in fund balances</b>	<b>409,066</b>	<b>(20,744)</b>	<b>210,402</b>	<b>115,931</b>	<b>714,655</b>
<b>Fund Balances - Beginning, as restated</b>	<b>1,516,110</b>	<b>1,013,829</b>	<b>2,146,798</b>	<b>3,682,284</b>	<b>8,359,021</b>
<b>Fund Balances - Ending</b>	<b>\$ 1,925,176</b>	<b>\$ 993,085</b>	<b>\$ 2,357,200</b>	<b>\$ 3,798,215</b>	<b>\$ 9,073,676</b>

The notes to the financial statements are an integral part of this statement.

**State of Washington**  
**Reconciliation of the Statement of Revenues, Expenditures and**  
**Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**

For the Fiscal Year Ended June 30, 2005  
(expressed in thousands)

Net change in fund balances--total governmental funds	\$ 714,655
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	2,034,599
Bond proceeds provide current financial resources to governmental funds, however, issuing debt increases long-term liabilities in the statement of net assets. Also, repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(756,113)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported with governmental activities.	19,069
Because some revenues will not be collected for several months after the state's fiscal year end, they are not considered "available" revenues in the governmental funds. Deferred revenues increased by this amount this year.	(14,820)
Change in net assets of governmental activities	\$ 1,997,390

The notes to the financial statements are an integral part of this statement.

# **PROPRIETARY FUNDS** **Statement of Fund Net Assets**

June 30, 2005

(expressed in thousands)

June 30, 2005

(expressed in thousands)

	Business-Type Activities					Governmental Activities
	Enterprise Funds					Internal Service Funds
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services	Nonmajor Enterprise Funds	Total	
<b>Assets</b>						
<b>Current Assets:</b>						
Cash and pooled investments	\$ 21,590	\$ 1,832,548	\$ 332,117	\$ 403,948	\$ 2,590,203	\$ 171,264
Investments	1,372,012	-	2,111	308,040	1,682,163	758
Taxes receivable (net of allowance)	-	-	-	4,841	4,841	-
Other receivables (net of allowance)	668,728	513,681	111,974	24,777	1,319,160	5,332
Due from other funds	1,210	2,552	49,728	42,223	95,713	72,660
Due from other governments	778	8,834	30,970	21,701	62,283	6,760
Inventories	181	-	31,298	46,114	77,593	20,152
Prepaid expenses	29	-	20,761	536	21,326	1,264
<b>Total Current Assets</b>	<b>2,064,528</b>	<b>2,357,615</b>	<b>578,959</b>	<b>852,180</b>	<b>5,853,282</b>	<b>278,190</b>
<b>Noncurrent Assets:</b>						
Investments, noncurrent	10,185,293	-	152,520	1,063,845	11,401,658	46,201
Other noncurrent assets	-	-	-	109,965	109,965	-
<b>Capital Assets:</b>						
Land	3,240	-	6,156	77,532	86,928	1,389
Buildings	62,441	-	1,181,790	394,483	1,638,714	63,806
Other improvements	1,020	-	31,491	12,602	45,113	21,452
Furnishings, equipment, and collections	50,927	-	250,853	62,892	364,672	601,113
Infrastructure	-	-	32,957	-	32,957	-
Accumulated depreciation	(30,212)	-	(586,149)	(111,210)	(727,571)	(372,974)
Construction in progress	-	-	84,073	248	84,321	41,113
<b>Total Noncurrent Assets</b>	<b>10,272,709</b>	<b>-</b>	<b>1,153,691</b>	<b>1,610,357</b>	<b>13,036,757</b>	<b>402,100</b>
<b>Total Assets</b>	<b>\$ 12,337,237</b>	<b>\$ 2,357,615</b>	<b>\$ 1,732,650</b>	<b>\$ 2,462,537</b>	<b>\$ 18,890,039</b>	<b>\$ 680,290</b>
<b>Liabilities</b>						
<b>Current Liabilities:</b>						
Accounts payable	\$ 8,831	\$ -	\$ 61,638	\$ 61,575	\$ 132,044	\$ 32,867
Contracts and retainages payable	2,119	-	7,415	22,459	31,993	499
Accrued liabilities	161,421	590	51,034	122,501	335,546	17,815
Obligations under security lending agreements	1,372,012	-	-	238,020	1,610,032	664
Bonds and notes payable	3,054	-	23,877	46,451	73,382	7,545
Due to other funds	6,934	1,043	39,166	61,716	108,859	20,214
Due to other governments	-	15,114	10	3,502	18,626	168
Unearned revenues	13,962	-	29,981	271	44,214	2,295
Claims and judgments payable	1,595,470	-	-	79,968	1,675,438	79,835
<b>Total Current Liabilities</b>	<b>3,163,803</b>	<b>16,747</b>	<b>213,121</b>	<b>636,463</b>	<b>4,030,134</b>	<b>161,902</b>
<b>Non-Current Liabilities:</b>						
Claims and judgments payable	15,683,425	-	-	2,403	15,685,828	464,491
Bonds and notes payable	36,832	-	622,746	274,496	934,074	84,511
Other long-term liabilities	11,257	-	8,919	1,001,178	1,021,354	21,145
<b>Total Non-Current Liabilities</b>	<b>15,731,514</b>	<b>-</b>	<b>631,665</b>	<b>1,278,077</b>	<b>17,641,256</b>	<b>570,147</b>
<b>Total Liabilities</b>	<b>18,895,317</b>	<b>16,747</b>	<b>844,786</b>	<b>1,914,540</b>	<b>21,671,390</b>	<b>732,049</b>
<b>Net Assets:</b>						
Invested in capital assets, net of related debt	47,530	-	321,591	141,143	510,264	263,844
Restricted for:						
Unemployment compensation	-	2,340,868	-	-	2,340,868	-
Unrestricted	(6,605,610)	-	566,273	406,854	(5,632,483)	(315,603)
<b>Total Net Assets (Deficit)</b>	<b>\$ (6,558,080)</b>	<b>\$ 2,340,868</b>	<b>\$ 887,864</b>	<b>\$ 547,997</b>	<b>\$ (2,781,351)</b>	<b>\$ (51,759)</b>

The notes to the financial statements are an integral part of this statement.

## PROPRIETARY FUNDS

### Statement of Revenues, Expenses, and Changes in Fund Net Assets

For the Fiscal Year Ended June 30, 2005  
(expressed in thousands)

	Business-Type Activities Enterprise Funds					Governmental Activities
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Operating Revenues:</b>						
Sales	\$ -	\$ -	\$ 124,189	\$ 495,947	\$ 620,136	\$ 133,290
Less: Cost of goods sold	-	-	82,522	340,065	422,587	117,031
Gross profit	-	-	41,667	155,882	197,549	16,259
Charges for services	27	-	975,519	70,750	1,046,296	529,842
Premiums and assessments	1,689,490	1,444,307	-	1,200,214	4,334,011	71,706
Federal aid for unemployment insurance benefits	-	52,377	-	-	52,377	-
Lottery ticket proceeds	-	-	-	458,132	458,132	-
Miscellaneous revenue	31,549	13,660	84,517	5,868	135,594	39,730
<b>Total Operating Revenues</b>	<b>1,721,066</b>	<b>1,510,344</b>	<b>1,101,703</b>	<b>1,890,846</b>	<b>6,223,959</b>	<b>657,537</b>
<b>Operating Expenses:</b>						
Salaries and wages	111,995	-	460,340	79,066	651,401	225,483
Employee benefits	29,247	-	81,859	23,274	134,380	54,194
Personal services	4,586	-	14,712	18,480	37,778	16,380
Goods and services	66,145	-	412,737	108,398	587,280	275,577
Travel	3,180	-	15,900	1,728	20,808	3,640
Premiums and claims	2,165,729	870,453	548	1,126,099	4,162,829	23,130
Lottery prize payments	-	-	-	280,863	280,863	-
Depreciation and amortization	3,202	-	54,934	15,173	73,309	52,789
Miscellaneous expenses	20,364	-	11,897	44,709	76,970	1,065
<b>Total Operating Expenses</b>	<b>2,404,448</b>	<b>870,453</b>	<b>1,052,927</b>	<b>1,697,790</b>	<b>6,025,618</b>	<b>652,258</b>
<b>Operating Income (Loss)</b>	<b>(683,382)</b>	<b>639,891</b>	<b>48,776</b>	<b>193,056</b>	<b>198,341</b>	<b>5,279</b>
<b>Nonoperating Revenues (Expenses):</b>						
Earnings (loss) on investments	1,065,226	76,677	16,173	91,170	1,249,246	4,257
Interest expense	(2,231)	-	(34,861)	(47,036)	(84,128)	(5,034)
Distributions to other governments	-	-	-	(40,451)	(40,451)	-
Other revenue (expenses)	5,449	-	14,286	114,193	133,928	321
<b>Total Nonoperating Revenues (Expenses)</b>	<b>1,068,444</b>	<b>76,677</b>	<b>(4,402)</b>	<b>117,876</b>	<b>1,258,595</b>	<b>(456)</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>385,062</b>	<b>716,568</b>	<b>44,374</b>	<b>310,932</b>	<b>1,456,936</b>	<b>4,823</b>
Capital contributions (Return of capital contributions)	-	-	-	(2,223)	(2,223)	11,020
Transfers in	325,602	-	207,924	47,910	581,436	27,890
Transfers (out)	(326,724)	-	(196,685)	(241,793)	(765,202)	(24,664)
<b>Net Contributions and Transfers</b>	<b>(1,122)</b>	<b>-</b>	<b>11,239</b>	<b>(196,106)</b>	<b>(185,989)</b>	<b>14,246</b>
<b>Change in Net Assets</b>	<b>383,940</b>	<b>716,568</b>	<b>55,613</b>	<b>114,826</b>	<b>1,270,947</b>	<b>19,069</b>
<b>Net Assets (Deficit) - Beginning, as restated</b>	<b>(6,942,020)</b>	<b>1,624,300</b>	<b>832,251</b>	<b>433,171</b>	<b>(4,052,298)</b>	<b>(70,828)</b>
<b>Net Assets (Deficit) - Ending</b>	<b>\$ (6,558,080)</b>	<b>\$ 2,340,868</b>	<b>\$ 887,864</b>	<b>\$ 547,997</b>	<b>\$ (2,781,351)</b>	<b>\$ (51,759)</b>

The notes to the financial statements are an integral part of this statement.

## PROPRIETARY FUNDS

### Statement of Cash Flows

Continued

For the Fiscal Year Ended June 30, 2005

(expressed in thousands)

	Business-Type Activities Enterprise Funds				Total	Governmental Activities Internal Service Funds
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services	Nonmajor Enterprise Funds		
<b>Cash Flows from Operating Activities:</b>						
Receipts from customers	\$ 1,607,624	\$ 1,425,626	\$ 1,108,901	\$ 2,204,084	\$ 6,346,235	\$ 720,697
Payments to suppliers	(1,526,994)	(854,723)	(577,731)	(1,827,221)	(4,786,669)	(438,447)
Payments to employees	(139,751)	-	(539,532)	(101,748)	(781,031)	(277,899)
Other receipts (payments)	31,549	58,870	84,518	5,863	180,800	39,234
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(27,572)</b>	<b>629,773</b>	<b>76,156</b>	<b>280,978</b>	<b>959,335</b>	<b>43,585</b>
<b>Cash Flows from Noncapital Financing Activities:</b>						
Transfers in	325,602	-	207,924	47,910	581,436	27,890
Transfers out	(326,724)	-	(196,685)	(241,793)	(765,202)	(24,664)
Operating grants and donations received	8,538	-	10,519	(6)	19,051	907
Taxes and license fees collected	5	-	-	114,254	114,259	-
Cash transfer related to a fund reclassification	-	(47)	-	-	(47)	-
Distributions to other governments	-	-	-	(40,451)	(40,451)	-
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>7,421</b>	<b>(47)</b>	<b>21,758</b>	<b>(120,086)</b>	<b>(90,954)</b>	<b>4,133</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>						
Interest paid	(2,231)	-	(34,794)	(12,832)	(49,857)	(5,048)
Principal payments on long-term capital financing	(2,899)	-	(75,562)	(123,270)	(201,731)	(10,216)
Proceeds from long-term capital financing	-	-	112,078	118,596	230,674	50,629
Proceeds from sale of capital assets	-	-	53,568	8,286	61,854	7,051
Acquisitions of capital assets	(12,866)	-	(175,093)	(20,964)	(208,923)	(81,649)
<b>Net Cash or Pooled Investments Provided by (Used in) Capital and Related Financing Activities</b>	<b>(17,996)</b>	<b>-</b>	<b>(119,803)</b>	<b>(30,184)</b>	<b>(167,983)</b>	<b>(39,233)</b>
<b>Cash Flows from Investing Activities:</b>						
Receipt of interest	616,531	76,677	16,009	28,515	737,732	4,265
Proceeds from sale of investment securities	(7,046,684)	-	44,347	372,381	(6,629,956)	(8,319)
Purchases of investment securities	6,463,338	-	(48,785)	(455,173)	5,959,380	1,538
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>33,185</b>	<b>76,677</b>	<b>11,571</b>	<b>(54,277)</b>	<b>67,156</b>	<b>(2,516)</b>
<b>Net Increase (Decrease) in Cash and Pooled Investments</b>	<b>(4,962)</b>	<b>706,403</b>	<b>(10,318)</b>	<b>76,431</b>	<b>767,554</b>	<b>5,969</b>
Cash and Pooled Investments, July 1	26,552	1,126,145	342,435	327,517	1,822,649	165,295
<b>Cash and Pooled Investments, June 30</b>	<b>\$ 21,590</b>	<b>\$ 1,832,548</b>	<b>\$ 332,117</b>	<b>\$ 403,948</b>	<b>\$ 2,590,203</b>	<b>\$ 171,264</b>
<b>Cash Flows from Operating Activities:</b>						
Operating Income (Loss)	\$ (683,382)	\$ 639,891	\$ 48,776	\$ 193,056	\$ 198,341	\$ 5,279
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations:</b>						
Depreciation	3,202	-	54,934	15,173	73,309	52,789
Provision for uncollectible accounts	19,597	-	2,191	11	21,799	22
Other non-cash items	-	-	-	-	0	-
<b>Change in Assets: Decrease (Increase)</b>						
Receivables (net of allowance)	(82,308)	(25,847)	9,830	(21,145)	(119,470)	(15,195)
Inventories	(4)	-	801	(3,628)	(2,831)	96
Prepaid expenses	(28)	-	(15,448)	244	(15,232)	509
<b>Change in Liabilities: Increase (Decrease)</b>						
Payables	715,351	15,729	(24,928)	97,267	803,419	85
<b>Net Cash or Cash Equivalents Provided by (Used in) Operating Activities</b>	<b>\$ (27,572)</b>	<b>\$ 629,773</b>	<b>\$ 76,156</b>	<b>\$ 280,978</b>	<b>\$ 959,335</b>	<b>\$ 43,585</b>



## PROPRIETARY FUNDS

### Statement of Cash Flows

Concluded

For the Fiscal Year Ended June 30, 2005

(expressed in thousands)

	Business-Type Activities					Governmental
	Enterprise Funds				Activities	
			Higher Education	Nonmajor	Internal	
	Workers'	Unemployment	Student	Enterprise	Service	
Compensation	Compensation	Services	Funds	Total	Funds	
<b>Noncash Investing, Capital and Financing Activities:</b>						
Contributions of capital assets	\$ -	\$ -	\$ -	\$ 2,223	\$ 2,223	\$ 11,020
Amortization of long-term lotto prize liability	-	-	-	31,220	31,220	-
Increase (decrease) in fair value of investments	437,168	-	3	22,552	459,723	(12)
Refunding bonds issued	-	-	85,910	-	85,910	-
Refunded bonds redeemed	-	-	(79,480)	-	(79,480)	-
Gain (loss) on refunding activity	-	-	83	-	83	-
Amortization of debt premium (issue costs/discount)	-	-	153	-	153	-
Accretion of interest on zero coupon bonds	-	-	-	3,092	3,092	-

The notes to the financial statements are an integral part of this statement.

## FIDUCIARY FUNDS

### Statement of Fiduciary Net Assets

June 30, 2005

(expressed in thousands)

	Private- Purpose Trust	Local Government Investment Pool	Pension and Other Employee Benefit Plans	Agency Funds
<b>Assets:</b>				
Cash and pooled investments	\$ 17,523	\$ 3,312,778	\$ 50,641	\$ 262,240
Investments	-	1,296,448	-	1,980
Other receivables (net of allowance)	4,801	9,086	189,294	81,295
Due from other funds	337	-	26,284	375,857
Due from other governments	8	-	48,391	27,270
<b>Total Current Assets</b>	<b>22,669</b>	<b>4,618,312</b>	<b>314,610</b>	<b>748,642</b>
<b>Noncurrent Assets:</b>				
Investments, noncurrent	70,556	270,845	55,470,727	39,498
Other noncurrent assets	-	-	-	52,724
<b>Capital Assets:</b>				
Furnishings, equipment, and collections	86	-	-	-
Accumulated depreciation	(78)	-	-	-
<b>Total Noncurrent Assets</b>	<b>70,564</b>	<b>270,845</b>	<b>55,470,727</b>	<b>92,222</b>
<b>Total Assets</b>	<b>\$ 93,233</b>	<b>\$ 4,889,157</b>	<b>\$ 55,785,337</b>	<b>\$ 840,864</b>
<b>Liabilities:</b>				
Accounts payable	\$ 3,763	\$ -	\$ -	\$ 17,603
Contracts and retainages payable	-	-	-	18,263
Accrued liabilities	16,552	44,014	82,045	160,529
Obligations under security	-	80,900	4,376,381	26,497
Due to other funds	64	42	28,150	94,449
Due to other governments	-	-	-	461,735
Unearned revenues	-	-	847	-
Other long-term liabilities	70,579	-	-	61,788
<b>Total Liabilities</b>	<b>90,958</b>	<b>124,956</b>	<b>4,487,423</b>	<b>\$ 840,864</b>
<b>Net Assets:</b>				
Net assets held in trust for:				
Pension benefits	-	-	49,374,891	
Deferred compensation participants	-	-	1,923,023	
Local government pool participants	-	4,764,201	-	
Individuals, organizations & other governments	2,275	-	-	
<b>Total Net Assets</b>	<b>\$ 2,275</b>	<b>\$ 4,764,201</b>	<b>\$ 51,297,914</b>	

The notes to the financial statements are an integral part of this statement.

## FIDUCIARY FUNDS

### Statement of Changes in Fiduciary Net Assets

For the Fiscal Year Ended June 30, 2005  
(expressed in thousands)

	Private- Purpose Trust	Local Government Investment Pool	Pension and Other Employee Benefit Plans
<b>Additions:</b>			
Contributions:			
Employers	\$ -	\$ -	\$ 184,098
Members	-	-	521,511
State	-	-	32,201
Pool participants	-	10,627,232	160,029
Total Contributions	-	10,627,232	897,839
Investment Income:			
Net appreciation (depreciation) in fair value	-	-	4,727,107
Interest and dividends	-	100,137	1,241,542
Less: Investment expenses	-	-	(113,322)
Net Investment Income	-	100,137	5,855,327
Other additions:			
Transfers from other pension plans	-	-	5,469
Transfers in	28,237	-	-
Other contracts, grants and miscellaneous	93,441	2	2,320
Total other additions	121,678	2	7,789
<b>Total Additions</b>	<b>121,678</b>	<b>10,727,371</b>	<b>6,760,955</b>
<b>Deductions:</b>			
Pension benefits	-	-	2,087,258
Pension refunds	-	-	126,280
Transfers to other pension plans	-	-	5,469
Transfers out	118,229	-	-
Administrative expenses	3,169	4,085	1,308
Distributions to pool participants	-	10,724,648	83,741
Payments to or on behalf of individuals, organizations and other governments in accordance with trust agreements	445	-	-
<b>Total Deductions</b>	<b>121,843</b>	<b>10,728,733</b>	<b>2,304,056</b>
<b>Net Increase (Decrease)</b>	<b>(165)</b>	<b>(1,362)</b>	<b>4,456,899</b>
<b>Net Assets - Beginning, as restated</b>	<b>2,440</b>	<b>4,765,563</b>	<b>46,841,015</b>
<b>Net Assets - Ending</b>	<b>\$ 2,275</b>	<b>\$ 4,764,201</b>	<b>\$ 51,297,914</b>

The notes to the financial statements are an integral part of this statement.

## COMPONENT UNITS

### Statement of Fund Net Assets

June 30, 2005

(expressed in thousands)

	Public Stadium	Nonmajor Component Units	Total
<b>Assets</b>			
<b>Current Assets:</b>			
Cash and pooled investments	\$ 4,409	\$ 3,971	\$ 8,380
Investments	-	31,039	31,039
Other receivables (net of allowance)	551	1,514	2,065
Prepaid expenses	32	227	259
<b>Total Current Assets</b>	<b>4,992</b>	<b>36,751</b>	<b>41,743</b>
<b>Noncurrent Assets:</b>			
Investments, noncurrent	23,886	2,119	26,005
Other noncurrent assets	-	21,286	21,286
<b>Capital Assets:</b>			
Land	34,677	-	34,677
Buildings	451,174	-	451,174
Furnishings and equipment	25,616	1,075	26,691
Accumulated depreciation	(62,458)	(844)	(63,302)
<b>Total Noncurrent Assets</b>	<b>472,895</b>	<b>23,636</b>	<b>496,531</b>
<b>Total Assets</b>	<b>\$ 477,887</b>	<b>\$ 60,387</b>	<b>\$ 538,274</b>
<b>Liabilities</b>			
<b>Current Liabilities:</b>			
Accounts payable	\$ 694	\$ 2,097	\$ 2,791
Contracts and retainages payable	2,342	-	2,342
Accrued liabilities	41	84	125
Unearned revenues	-	767	767
<b>Total Current Liabilities</b>	<b>3,077</b>	<b>2,948</b>	<b>6,025</b>
<b>Non-Current Liabilities:</b>			
Other long-term liabilities	37,000	-	37,000
<b>Total Non-Current Liabilities</b>	<b>37,000</b>	<b>-</b>	<b>37,000</b>
<b>Total Liabilities</b>	<b>40,077</b>	<b>2,948</b>	<b>43,025</b>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	409,667	231	409,898
Restricted for deferred sales tax	23,885	-	23,885
Restricted for other purposes	-	600	600
Unrestricted	4,258	56,608	60,866
<b>Total Net Assets (Deficit)</b>	<b>\$ 437,810</b>	<b>\$ 57,439</b>	<b>\$ 495,249</b>

The notes to the financial statements are an integral part of this statement.

## COMPONENT UNITS

### Statement of Revenues, Expenses, and Changes in Fund Net Assets

For the Fiscal Year Ended June 30, 2005  
(expressed in thousands)

	Public Stadium	Nonmajor Component Units	Total
<b>Operating Revenues:</b>			
Charges for services	\$ 882	\$ 10,718	\$ 11,600
<b>Total Operating Revenues</b>	882	10,718	11,600
<b>Operating Expenses:</b>			
Salaries and wages	350	3,893	4,243
Employee benefits	52	999	1,051
Personal services	109	628	737
Goods and services	278	2,607	2,885
Travel	3	24	27
Depreciation and amortization	18,558	111	18,669
Miscellaneous expenses	-	462	462
<b>Total Operating Expenses</b>	19,350	8,724	28,074
<b>Operating Income (Loss)</b>	(18,468)	1,994	(16,474)
<b>Nonoperating Revenues (Expenses):</b>			
Earnings (loss) on investments	2,285	963	3,248
Interest expense	-	(76)	(76)
Operating grants and contributions	-	600	600
Distributions of operating grants	-	(600)	(600)
<b>Total Nonoperating Revenues (Expenses)</b>	2,285	887	3,172
<b>Income(Loss) Before</b>			
<b>Contributions and Transfers</b>	(16,183)	2,881	(13,302)
Capital grants and contributions	562	-	562
<b>Total Contributions and Transfers</b>	562	-	562
<b>Change in Net Assets</b>	(15,621)	2,881	(12,740)
<b>Net Assets - Beginning</b>	453,431	54,558	507,989
<b>Net Assets - Ending</b>	\$ 437,810	\$ 57,439	\$ 495,249

The notes to the financial statements are an integral part of this statement.

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2005

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